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**CCC-1200 (Appendix)**  
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See CCC-1200 for Privacy Act and Public Burden Statements

U. S. DEPARTMENT OF AGRICULTURE  
Commodity Credit Corporation

## APPENDIX TO FORM CCC-1200 ENVIRONMENTAL QUALITY INCENTIVES PROGRAM CONTRACT

### 1 DEFINITIONS

The following definitions are applicable to the Environmental Quality Incentives Program contract.

- A** **EQIP contract or CCC-1200** means the program documents including the applicable contract appendix, conservation plan, entered into between the Commodity Credit Corporation (CCC) and the participant. Such contract shall set forth the terms and conditions for participation in the EQIP and receipt of EQIP payments.
- B** **Conservation plan** means a record of a participant's decisions, and supporting information, for treatment of a unit of land or water, and includes the schedule of operations, activities, and estimated expenditures needed to solve identified natural resource concerns.
- C** **Conservation practice** means a specified treatment, such as a structural or vegetative practice or land management practice, which is planned and applied according to NRCS standards and specifications and as part of a conservation management system (CMS).
- D** **Structural practice** means a conservation practice which primarily involves the establishment, construction, or installation of a site-specific measure to conserve, protect from degradation, or improve soil, water, or related natural resources in the most cost-effective manner. Examples include, but are not limited to, animal waste management facilities, terraces, grassed waterways, tailwater pits, livestock water development, and capping of abandoned wells.
- E** **Land management practice** means conservation practices that primarily require site-specific management techniques and methods to conserve, protect from degradation, or improve soil, water, or related natural resources in the most cost-effective manner. Land management practices include, but are not limited to, nutrient management, manure management, integrated pest management,

integrated crop management, irrigation water management, tillage or residue management, stripcropping, contour farming, grazing management, and wildlife habitat management.

- F**     **Vegetative practice** means conservation practices which primarily involve the establishment or planting of a site-specific vegetative measure to conserve, protect from degradation, or improve soil, water, or related natural resources in the most cost-effective manner. Examples include, but are not limited to, contour grass strips, filterstrips, critical area plantings, and permanent wildlife habitat.
- G**     **Conservation management system (CMS)** means any combination of conservation practices and land management practices that, if applied, will protect or improve the soil, water, or related natural resources. A CMS may treat one or all of the natural resources to the sustainable level, or to a greater or lesser extent than the sustainable level.
- H**     **Cost-share payment** means the financial assistance from CCC to the participant to share the cost of installing a structural or vegetative practice.
- I**     **Incentive payment** means the financial assistance from CCC to the participant in an amount and at a rate determined appropriate to encourage the participant to perform a land management practice that would not otherwise be initiated without program assistance.
- J**     **Unit of concern** means a parcel of agricultural land that has natural resource conditions that are a concern to the participant as outlined in the conservation plan.
- K**     **Technical Assistance** means the personnel and support resources needed to conduct conservation planning; conservation practice survey, layout, design, installation, and certification; training, certification, and provide quality assurance for professional conservationists; and evaluation and assessment of the program.
- L**     All other words and phrases, unless the context of subject matter otherwise requires, shall have the meanings assigned to them in the regulations governing the Environmental Quality Incentives Program which are found at 7 CFR Part 1466.
- 2**     **ELIGIBILITY REQUIREMENTS FOR ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)**

- A** By signing the EQIP contract, the participant certifies that such participant will control the land subject to the contract for the contract period and shall, upon demand, provide evidence to CCC demonstrating that such participant will control the land for that period.
- B** To be eligible to be placed in the EQIP, land must not be currently enrolled in a Conservation Reserve Program (CRP) contract approved under 7 CFR Parts 704 or 1410 or Wetlands Reserve Program (WRP) agreement approved under 7 CFR Parts 703, 620, or 1467.
- C** Land otherwise eligible for the EQIP shall not be eligible if the land is subject to a deed or other restriction prohibiting the application of the conservation plan and associated practices or where a benefit has or will be obtained from a Federal agency in return for the participant's agreement not to implement the conservation plan and associated practices on the land during the same time as the land would be enrolled in the EQIP. By applying for the EQIP contract, the participant certifies as a condition for payment that no such restrictions apply to such land.

### **3 SELECTING OFFERS FROM PRODUCERS**

- A** All applications will be ranked using criteria that will consider the environmental benefits per program dollar expended, a reasonable estimate of the cost of the conservation practices, and other factors for determining which applications will present the maximum environmental benefits for the least cost to the program. The highest ranked applications will be selected for a contract.
- B** The applicant may improve his/her ranking by providing additional environmental benefits without increasing the program cost or by offering and accepting less than the maximum program payments allowed. An applicant's decision to offer and accept lesser program payments is confidential until the end of the application period and will be used to determine contract payments. The CCC-1201, Application Evaluation Worksheet, will be sent to the applicant following completion of the contract application evaluation. The applicant has 10 calendar days from the date on the CCC-1201 Application Evaluation Worksheet, not to exceed the date of final ranking, in which to modify the offer and decision regarding the program application.

### **4 AGREEMENT**

**A** The participant agrees:

- (1) That the CCC-1200 (EQIP contract ) and its addenda shall be considered a request to enter into the Environmental Quality Incentives Program on the terms specified on CCC-1200 and its addenda.
- (2) To place eligible land into the EQIP for a period of time as specified on the CCC-1200 (5 to 10 years), from the date of the contract executed by CCC;
- (3) To apply or commence a financially assisted practice within the first 12 months from the date of the contract executed by CCC. The participant may be granted a waiver to this requirement by the FSA county committee.
- (4) Not to start any financially assisted practice before the contract is executed by CCC. The participant may be granted a waiver to this requirement by the NRCS State Conservationist.
- (5) To comply with the terms and conditions of the conservation plan and all Federal, State, and local laws that apply to the plan content;
- (6) To establish, maintain for required lifespans, and replace, as specified in the contract, the practices agreed to in the conservation plan
- (7) Not undertake any action on land under the participant's control which tends to defeat the purposes of this contract, as determined by CCC;
- (8) To discontinue work in the general area of the site and notify NRCS immediately if during the construction of any practice a previously unidentified archeological or historical site is encountered;
- (9) To maintain proof of payment documentation, if applicable, for 3 years after the end of the fiscal year in which the practice was completed and to present this documentation to CCC within 30 days if selected for administrative compliance check; and
- (10) To file annually, required forms for payment limitation determinations.

**B** CCC agrees, subject to the availability of funds, to:

- (1) Share the cost with owners and operators of establishing an eligible practice, or an identified unit thereof, agreed to in the conservation plan;
- (2) Pay to the participant an interest penalty on cost-share and incentive payments not made by the date, as determined by CCC, the payment is due.

## **5 CONSERVATION PLAN**

**A** Subject to the approval of CCC, the conservation plan will include all of the following information and requirements:

- (1) The conservation and incentive practices to be undertaken on the land enrolled in EQIP;
- (2) A schedule of operations, activities, and estimated expenditures needed to solve identified natural resource problems on the land enrolled in EQIP;
- (3) The level of environmental benefits which must be attained on the land enrolled in EQIP; and,
- (4) Any other practices required to fulfill the intent of the conservation plan.

**B** By signing the conservation plan, the participant agrees to implement the practices specified in such conservation plan on the land enrolled in EQIP.

## **6 PAYMENTS**

**A** Subject to the availability of funds, cost-share and incentive payments, as approved by CCC, shall be made available upon a determination by CCC that an eligible practice, or an identifiable unit thereof, has been established in compliance with the conservation plan and with appropriate standards and specifications.

**B** CCC will make cost-share and incentive payments, as approved by CCC, available to the participant at the rate specified in the conservation plan.

- C** Except as otherwise provided for in this paragraph, cost-share and incentive payments, as approved by CCC, may be made available under the EQIP only for the establishment or application of an eligible practice. In order to receive cost-share and incentive payments, as approved by CCC, the participant, upon certification of the completion practice, must file Form CCC-1245 with CCC at the USDA Service Center responsible for the administration of the participant's farm records.
- D** Contract expenditures entered into during the fiscal year a contract is approved shall not be made until the subsequent fiscal year.

## **7 PROVISIONS RELATING TO TENANTS AND LANDLORDS**

Notwithstanding Paragraph 15, no payment will be approved for the current year if CCC determines that any of the following conditions exist:

- A** The landlord or operator has not given the tenants that have an interest in the unit of concern covered by the conservation plan or that have a lease that runs through the CCC-1200 period at the time of sign up an opportunity to participate in the benefits of the program;
- B** The landlord or operator has adopted any other scheme or device for the purpose of depriving any tenant of any benefits to which such tenant would otherwise be entitled. If any such conditions occur or are discovered after payments have been made, all or any part of the payments, as determined by CCC, must be refunded with interest and no further payments shall be made.

## **8 ERRONEOUS REPRESENTATION AND SCHEME AND DEVICE**

- A** A participant who is determined to have erroneously represented any fact affecting a determination with respect to this contract and the regulations applicable to this contract, adopted any scheme or device which tends to defeat the purposes of this contract, or made any fraudulent representation with respect to this contract will not be entitled to payments or any other benefits made in accordance with this contract and the participant must refund to CCC all payments received by such participant, plus interest and liquidated damages thereon, with respect to the contract. Such liquidated damages will be determined in accordance with paragraph 9 of this Appendix.
- B** Refunds determined to be due and owed to CCC in accordance with this contract will bear interest at the rate which CCC is required

to pay for its borrowing from the United States Treasury on the date of the disbursement by CCC of the moneys to be refunded. Interest will accrue from the date of such disbursement by CCC.

- C** The provisions of paragraph 7A of this Appendix shall be applicable in addition to any liability under criminal and civil fraud statutes, including 18 U.S.C. 268, 287, 371, 641, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729, or any other liability to which the participant may be subject.

## **9 LIQUIDATED DAMAGES**

It is mutually agreed that in the event the approved EQIP contract is breached by the participant, the CCC will suffer substantial damages which may not be possible to quantify with certainty. Therefore, in addition to the refund of payments received plus interest due, for breach of contract prescribed in this contract, the participant agrees to pay an amount equal to the product obtained by multiplying: (1) 25 percent by, (2) the sum of payments disbursed for practices specified on form CCC-1245 that have been performed subject to the contract, as liquidated damages and not as a penalty.

## **10 NOTIFICATION OF CHANGES TO TERMS AND CONDITIONS OF THE CONTRACT**

CCC agrees that if any changes of any terms and conditions of this contract, including changes necessary to reconcile the technical practices listed on the CCC-1200 to those specified in the conservation plan, become necessary prior to the date that this contract is approved on behalf of CCC, CCC will notify the persons signing the CCC-1200 of such change and such person will be given 10 days from the date of notification in which to agree to the revised terms and conditions or to withdraw from the contract request. The participant agrees to notify the CCC of an intention to withdraw from the contract request within 10 days from the date of the issuance of such notice and further agrees that failure to notify the CCC will constitute agreement to the revised terms and conditions.

## **11 CORRECTIONS**

CCC reserves the right to correct all errors in entering data or the results of computations in the contract.

## **12 TERMINATION OF CONTRACT; JOINT LIABILITY**

If a participant fails to carry out the terms and conditions of this contract but CCC determines that such failure does not warrant termination of this

contract, CCC may require such participant to refund, with interest, payments received under this contract, or require the participant to accept such adjustments in the subsequent payments as are determined to be appropriate by CCC.

### **13 CONTRACT MODIFICATIONS**

**A** CCC may modify this contract to add, or substitute certain practices when:

- (1) The installed practice failed to adequately treat a unit of land or water through no fault of the participants;
- (2) The installed practice has caused adverse impacts to significant cultural and environmental resources identified in the conservation plan, or those discovered as a result of installation;
- (3) The installed measure has deteriorated because of conditions beyond the control of the participants; or
- (4) Another practice will achieve at least the same level of environmental benefits.

**B** Any modification to the CCC-1200 or conservation plan that is significant enough to warrant a change in the initial CCC-1200 ranking may disallow the modification altogether.

**C** Any modification to the CCC-1200 or conservation plan will require the concurrence of all participants.

**D** Concurrence of NRCS and the conservation district shall be obtained by CCC when modifications to this contract involve a technical aspect of a participant's conservation plan.

### **14 EFFECTIVE DATE AND CHANGES TO CONTRACT**

**A** The EQIP contract is effective when signed by the participants and an authorized representative of CCC. Except as otherwise determined by CCC, the contract may not be revoked or revised unless by mutual agreement between the parties. Within the dates established by CCC, the contract must be signed by all required participants.

In the event that a statute is enacted during the period of this contract which would materially change the terms and conditions of



this contract, the CCC may require the participants to elect between acceptance of modifications in this contract consistent with the provisions of such statute or termination of this.

- B** The EQIP contract shall be carried out in accordance with all Federal statute and regulations, included but not limited to the National Environmental Policy Act, the Endangered Species Act, National Historic Preservation Act, Title VI and VII of the Civil Rights Act of 1964, as amended, the Civil Rights Restoration Act of 1987, other nondiscrimination statutes, and the regulations of the Secretary of Agriculture found at 7 CFR Part 15, Subparts A & B. The CCC may, without incurring liability for breach of the contract, terminate the EQIP contract, in whole or in part, if CCC determines that continued operation of the contract will result in the violation of a Federal statute or regulation, or if CCC determines that termination would be in the public interest.

## **15 REGULATIONS TO PREVAIL**

The regulations in 7 CFR Part 1466 for the EQIP are incorporated herein. In the event of a conflict between these regulations and the terms of this Appendix, the provisions of the regulations will prevail.

By signing the EQIP contract, the participant certifies that he/she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance while conducting any activity associated with the EQIP contract. This certification is a material representation of fact upon which reliance was placed when CCC determined to award this EQIP contract. If it is later determined that the participant knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.; 7 CFR part 3017, Subpart F, Section 3017.600) CCC, in addition to any other remedies available to the United States, may take action authorized under the Drug-Free Workplace Act.

The participant agrees to include in any single contractual agreement estimated to exceed \$10,000 the non-segregated facilities provisions applicable to federally assigned construction contracts. The participant agrees to comply with Executive Order 11246 and the non-segregated facilities provisions with regard to employment of people specifically to assist the participant in construction work estimated to exceed \$10,000 to be installed in any 12-month period. The participant agrees to actively assist NRCS in obtaining from the contractor full compliance with the non-segregated facilities provisions in any contractual arrangement entered into by the participant. The contracting officer is to furnish the participant all forms, posters, and instructions for compliance with Executive Order 11246 and the non-segregated facilities provisions.

The participant agrees to include in any single contractual agreement estimated to exceed \$100,000 the certification regarding lobbying in accordance to the regulations in 7 CFR Part 3018.

The following owners, operators, and producers by entering their signature acknowledge receipt of this Appendix to CCC-1200 and agree to the terms and conditions thereof. Further if the undersigned are succeeding to an existing EQIP contract, the undersigned agree and certify that no agreement exists or will be entered into between the undersigned, the previous owner and operator of the property, or mortgage holder that would, maintain or create an interest in the property in any previous participant on the EQIP contract for that property, or to receive payments under the contracts.

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